



Town of Lexington Health Insurance Opt –Out Program Guidelines FY2016

NEW OPTIONAL HEALTH INSURANCE OPT-OUT PROGRAM FOR ACTIVE EMPLOYEES

Beginning on July 1, 2015, employee who have been enrolled in the Town's health insurance program who choose not to enroll on July 1, 2015, will receive an opt-out payment from the Town.

Below are the main features of the Opt-Out program. For additional information, please refer to the Public Employee Committee (PEC) agreement, Section 10, attached.

- The Opt-Out program is available to active employees only.
- The annual Opt-Out incentive payment to the employee is:
 - Family coverage - \$5,000
 - Individual coverage - \$2,500
 - Change from a family coverage to individual coverage - \$2,500
- Opt-out incentive payments will be pro-rated and added to the employee's bi-weekly paycheck. Payments are taxable and not subject to retirement calculations.
- Eligibility Requirements:
 1. Existing Employee Hired Prior to 07/01/2013:
Employees who were enrolled in the Town's health insurance effective 07/01/2013 and have had continual enrollment in the Town's health insurance through 06/30/2015 are eligible to participate beginning on July 1, 2015.
 2. Recent Hire:
Employees hired during the period from 07/01/2013 to 11/17/2014, who enrolled in the Town's health insurance at hire and have had continual enrollment through 06/30/2015 are eligible to participate beginning on July 1, 2015.
 3. New Hire / New Enrollee:
Employees hired on or after 11/18/2014, or those employees who enroll in the Town's insurance as a result of a qualifying event during this period, must be continuously enrolled in the Town's insurance for a minimum of twenty-four (24) months before eligible to receive the Opt-Out incentive.
- For purposes of the Opt-Out program, an active employee is defined as an employee who remains eligible for the employer's contribution rate (excludes unpaid leaves of absences) for health insurance.
- Excluding the Annual Open Enrollment period, employees enrolled in GIC insurance must show evidence of alternative insurance coverage for themselves and/or their dependents before they are allowed to Opt-Out of the Town's health insurance. This is a Group Insurance Commission (GIC) requirement.
- If there is a qualifying event in which an employee who has opted-out needs to opt-back into the Town's insurance, the employee will be eligible to do so as long as enrollment is done within the thirty (30) days of the qualifying event. The opt-out payment will stop when the health insurance deductions begin.
- Apart from a qualifying event, any employee who has opted-out can re-enroll in the Town's health insurance during any open enrollment period.
- School department employees who participate in the Opt-Out incentive effective 07/01/2015 and who work a September – June payroll period, will receive the Opt-Out incentive in their paychecks beginning September 2015.

For question, please contact the Town's Human Resources Department at (781) 698-4590.



Town of Lexington Health Insurance Opt-Out Program Fiscal Year 2016

Employee Name: _____

Current Health Insurance Coverage: _____

Current Health Insurance Coverage Plan Level: ☐ Family Plan ☐ Individual Plan

Note: Excluding the Annual Open Enrollment Period, if you are enrolled in a GIC health insurance plan, the Group Insurance Commission (GIC) requires proof of other health insurance coverage for you and your dependents (if applicable) PRIOR to terminating health insurance coverage. This is a GIC requirement.

Below is a chart for the opt-out program amount per payroll:

Plan	26 payrolls	22 payrolls	21 payrolls
Family to No Insurance Coverage - \$5,000	\$192.31	\$227.28	\$238.10
Individual to No Insurance Coverage - \$2,500	\$96.15	\$113.64	\$119.05
Family to Individual Insurance Coverage - \$2,500	\$96.15	\$113.64	\$119.05

Return this completed form to the Town's Human Resources Department.

If you are submitting this form outside of the Annual Open Enrollment Period you **must** provide proof of alternate coverage (i.e. copies of health insurance cards, letter from spouse's employer signifying an open enrollment). Excluding Annual Open Enrollment, forms **will not** be processed for employees with existing coverage **without proof of alternate health insurance coverage.**

HR Office Only:

- ☐ Circle Eligibility Requirement: 1, 2, 3 or 4
- ☐ Enter into Database
- ☐ Copy to Payroll with EAF
- ☐ Copy of Benefits Record